

HOW TO PROCESS FEDERAL REIMBURSEMENTS

The purpose of this fact sheet is to document the way federal reimbursements are received by the Commonwealth and how these reimbursements will be recorded and reconciled in MMARS using the new Cash Deposit (CD) and Cash Transfer (CT) transactions. For comparison purposes both the old and new way of processing federal reimbursements are presented.

There are three ways that federal reimbursements are received:

- (1) an electronic funds transfer (EFT) to Treasury (TRE),
- (2) an EFT or federal check to a department's sweep account,
- (3) a check remittance by a department to TRE.

(1) EFT to Treasury

Old Process

TRE receives wire transfers from the federal government. Based on departmental communication prior to or subsequent to the EFT, TRE posts the money directly to the appropriate revenue budget. TRE notifies the department it has received the wire and the department records the corresponding CR.

EFT is the most common method of federal reimbursement.

CMCR Implementation

The department will communicate with TRE the amount and accounting distribution of the EFT either prior or subsequent to the EFT using the CD form. A completed CD document should be sent to TRE. No CT needs to be completed/entered by the department.

(2) Deposit to Department Bank Account that is a Sweep Account

Old Process:

The department's bank receives an EFT or check from the federal government. TRE sweeps the account and processes it to a sweep holding account. The department processes a CR to the sweep revenue source and a clearing voucher to the allocation revenue source. The allocation CR is forwarded to TRE to process the corresponding TR.

CMCR Implementation

If the department wants to post to Fund 100 the Department will prepare and forward to TRE a CD which has at least two lines. The first will be a decreasing line referencing the revenue source that the sweep originally posted to. The second line (and additional lines if applicable) will reference the federal revenue source(s) that the department wants to post to.

If the department wants to post to a Fund other than Fund 100 a CT should be processed by the department allocating the revenue to the correct revenue source. TRE has no involvement.